

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 DELAWARE AVENUE
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-33

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- Use Tax on Leases of Tangible Personal Property

The question has been raised as to whether the rental of television sets to hospital patients would be subject to the 2% lease tax.

Section 4302 of 30 Delaware Code states:

"There is hereby imposed on every lessee a use tax for the use within this State on and after July 1, 1969 under a lease of tangible personal property (other than household furniture, household fixtures or household furnishings, hospital equipment and any and all medical and remedial equipment aids and devices leased by or to elderly, ill, injured or handicapped persons for their own use) equal to two per cent (2%) of the rent under such lease."

Section 4303 (b) states:

"For the purpose of the proper administration of this chapter and to prevent evasion of the tax hereby imposed, it shall be presumed that all rental payments under leases are subject to the tax until the contrary is established and the burden of proving that any rental payment is not taxable here under shall be upon the person required to collect the tax or the lessee."

It is the opinion of this office that the lessor should obtain a license and collect and pay over to the Division of Revenue the use tax on leases of television sets to hospital patients.



J. H. Kennedy
Director of Revenue

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